

**THE SCHOOL ADMINISTRATOR  
and Uniform Compliance Guidelines**

**Volume 146**

**June 1999**

**ITEMS TO REMEMBER**

**JUNE**

June 1: Prove the Fund Ledger and Ledger of Receipts for the month of May to the control of all funds and reconcile the control with the depository statement. Prove all receipt accounts for each fund to total receipts for that fund. Prove the Ledger of Appropriations, Allotments, Encumbrances, Disbursements, and Balances to the total disbursements of the control account of the Fund Ledger. Prove all expenditure accounts within each program to the total disbursements of that program.

June 20: Payment for school aid bonds and coupons coming due in July must be made to civil townships by reorganized school corporations where the reorganized plan provides for such payments or where the board of school trustees has provided for such payments by resolution. (IC 20-4-1-35; IC 20-4-1-38)

Last day to report and make payment of state and county income tax withheld during May to the Department of Revenue, Indiana Government Center North, Indianapolis. (Please review Volume 140, December 1997, of "The School Administrator and Uniform Compliance Guidelines.")

June 30: Close out all payroll deduction clearing accounts. Balance and close the Fund Ledger and Ledger of Receipts for the school year and reconcile with depositories. Total the Ledger of Appropriations, Allotments, Encumbrances, Disbursements, and Balances (January 1 to June 30). Close the ledger for the school year and prove to the Fund Ledger.

School Board Members taking office in July, file certified copy of oath in the Circuit Court Clerk's Office. (IC 5-4-1-4)

**JULY**

July 1: Open a Fund Ledger and Ledger of Receipts for the next school year by entering the balance of each fund as determined and proved for June 30. Open a Ledger of Appropriations, Allotments, Encumbrances, Disbursements, and Balances for the next school year by entering in each program account the balance of unexpended appropriations, and by entering in each expenditure account within each program, the balance of the unexpended allotment.

July 4: Independence Day - Legal Holiday. (IC 1-1-9-1)

July 20: Last day to report and make payment of state and county income tax withheld during June to Department of Revenue, Indiana Government Center North, Indianapolis. (Please review Volume 140, December 1997, "The School Administrator and Uniform Compliance Guidelines.")

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July 31: Last day to file Federal Quarterly Report, Form 941, with the Internal Revenue Service for federal and social security taxes for the second quarter.

### AUGUST

Aug 1: Prove all ledgers for the month ending July 31 as outlined for the month of June.

Aug 15: Not earlier than August 1 or later than August 15 the secretary of the board of school trustees is to publish an annual financial report, one time in accordance with IC 5-3-1-1 et seq.

Aug 20: Last day to report and make payment of state and county income tax withheld during July to Department of State Revenue, Indiana Government Center North, Indianapolis. (Please review Volume 140, December 1997, "The School Administrator and Uniform Compliance Guidelines.")

Aug 31: Last date for the first publication of budgets (10 days prior to the public hearing). (IC 6-1.1-17-3)

NOTE: See the September "The School Administrator and Uniform Compliance Guidelines" for new "last" budget dates or call the State Board of Tax Commissioners at 317-232-3773.

Prior to September 1 of each year, the superintendent of each school corporation shall cause to be made to the Office of the State Fire Marshal an inspection report of all heating systems and supporting fuel lines used for school purposes. (IC 20-5-43-2)

### NONSESSION SCHOOL ACTIVITIES

The program formerly known as the summer recreation program is now titled Nonsession School Activities. IC 20-10.1-8-1 states "Each governing body may employ personnel during periods when the public schools are not in session to supervise agricultural club work, industrial club work, home economics club work, music activities and athletics. **These activities must be open and free to all persons of school age residing in the attendance unit of the school corporation** which is paying the whole or partial cost of the activity under this chapter." (Our Emphasis)

IC 20-10.1-8-2 states "Personnel Contracts. Any person employed under this chapter shall enter into a contract for that period. The contract must contain the amount and kind of work to be performed, the term, the rate of compensation and the total amount to be paid. The employee and the governing body shall agree on the compensation. This contract is not a teaching contract nor its extension, and a person with a teaching contract during periods when school is not in session may not be employed under this chapter for any period included in that teaching contract."

The appropriation should be in the Community Services category with allotment for expenditure to be provided in Account 32000, Community Recreation.

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**SUMMER SCHOOL RETIREMENT DEDUCTIONS**

IC 20-6.1-4-8 states in part "The supplemental service teacher's contract shall be used when a teacher provides professional service in evening school or summer school employment, except when a teacher or other person is employed to supervise or conduct noncredit courses or activities." We understand that deductions for teacher retirement must be made from all payments to teachers who are serving on a supplemental service teacher's contract. These deductions shall be reported and paid to the Teacher's Retirement Fund. We suggest any and all questions pertaining to Teacher's Retirement be directed to the Teacher's Retirement Fund at 317-232-3860.

**ANNUAL REPORT OF EXTRA-CURRICULAR TREASURERS**

IC 20-5-7-2 states in part "The treasurer shall keep an accurate account of all money so received by the collecting authority and expended, showing the sources of all receipts and the purposes for which the money was expended and the balance on hand, and a copy of such report shall be filed with the township trustee, board of school trustees, or board of school commissioners, within two (2) weeks after the close of each school year together with all records and files of such extracurricular activities." and (d) "A copy of such report is to be filed with and kept by the . . . superintendent." Forms SA5-1 to SA5-4 inclusive have been prescribed by the State Board of Accounts for compiling the report. The superintendent of the school corporation should see that each extra-curricular treasurer and principal completes and files the report in accordance with the law.

**SEVERANCE BENEFITS**

IC 20-6.1-5-12 states "(a) If a governing body of a school corporation agrees to a retirement, savings, or severance pay plan with a teacher or with an exclusive representative pursuant to IC 20-7.5-1, the benefits may be paid to the teacher who is eligible under a negotiated retirement, savings, or severance pay plan, or, in the case of the teacher's death, to the teacher's designated beneficiary. Payments may be made in a lump sum or in installments as agreed upon by the parties or to a savings plan established under IC 5-10-1.1-1(2). (b) Notwithstanding IC 6-1.1-20, the payments under this section shall be made from the general fund of the school corporation and may be made for a period exceeding one (1) year." Therefore, we are of the audit position that severance payments may be paid in installments. We would suggest that you receive guidance from the Internal Revenue Service when considering deferring any payments beyond the current school year. Furthermore, we would still recommend from an accounting simplification position and from the School Corporation's standpoint, that consideration be given to providing a lump sum payment at the end of the last teacher's contract, which could simplify required withholdings for a treasurer by keeping all earnings in the same contract year.

**OBSOLETE VOLUME**

All articles of Volume 106 of "The School Administrator" have now been updated and reprinted in later volumes or are no longer applicable; thus Volume 106, which was distributed in June 1989 may now be deleted from your file.

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**TRAVEL EXPENSE**

The statute which deals with the expense of travel for school corporation personnel, both officers and employees, may be found in IC 20-5-2-2, the General School Powers Act. Section (8) states in part " . . . when the governing body by resolution deems a trip by an employee of the school corporation or by a member of the governing body to be in the interest of the school corporation . . . to permit such employee to be absent in connection with such trip without any loss in pay and to **refund** to such employee or to such member his **reasonable hotel and board bills and necessary transportation expenses.** (Our Emphasis)

The State Board of Accounts has been advised of occasions where side trips, excursions, cruises, concerts, etc., are scheduled to immediately precede, succeed or coincide with a meeting, conference or trip authorized by the governing board. We advise all school corporation personnel, as public officials, that the expense of such additional travel is not to be considered payable or refundable from public funds and that an audit exception would be necessary in regard to any such expense paid from public funds. The same is true of any travel expense of the spouse of a public official. Such expense is considered the personal expense of the individual and must be paid from personal funds. Public funds may not be used to pay for personal items or for expenses which do not relate to the functions and purposes of the governmental unit.

We are of the audit position, in relation to authorized travel expense for necessary travel within the school corporation, the person may be provided transportation in school corporation owned vehicles. Alternatively, an individual may be authorized to use a personal vehicle and be paid a mileage allowance upon board approval of a mileage claim (Prescribed General Form No. 101) to list miles traveled at the rate established by the governing board for all school corporation employees.

Authorized expenses should be reimbursed by using Accounts Payable Vouchers, Form 523 and attaching airplane, bus and train tickets, hotel/motel receipts, and other receipts which detail actual cost of meals, etc.

All claims, invoices, receipts, accounts payable vouchers, including those presented to the governing body for approval in accordance with IC 5-11-10, should contain adequate detailed documentation. All claims, invoices, receipts, and accounts payable vouchers regarding reimbursement for meals and expenses for individuals must have specific detailed information of the names of all individuals for whom amounts are claimed, including the nature, name and purpose of the business meeting, to enable the governing body to authorize payment. Payments which do not have proper itemization showing the business nature of the claim, may be the personal obligation of the responsible official, employee or other person for whom the claim is made.

**FORM APPROVALS**

Please ensure on form approval requests the following:

1. The vendor name and type of equipment (hardware and software) should be listed.
2. The computerized forms shall be a facsimile of our prescribed forms (headings on reports, receipts, checks, etc.)

Should your vendor be unable to comply, for whatever reason, please cross-reference submitted forms to the existing prescribed forms that are intended to be replaced.

Please forward the above information to each of your building principals for their information to comply with our request, and to speed up approval of any computerized forms they may desire to use; otherwise, prescribed forms shall be used. Please see "The School Administrator and Uniform Compliance Guidelines", Volumes 133 and 134, March and June 1996 concerning simplification of the form approval process.

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**REVISION OF SCHOOL FORM 521, APPLICATION FOR FREE MEALS  
OR REDUCED PRICE MEALS AND OTHER BENEFITS**

Please contact the State Department of Education, Division of School Food and Nutrition for any changes to the above listed form. A similar change is anticipated for Form 522, Application for Free Milk.

**APPRECIATION STIPENDS - BONUSES**

Official Attorney General Opinion No. 89-5, issued February 24, 1989, provides the following conclusion: "Indiana school corporation are not currently authorized by statute to pay certified and noncertified employees "appreciation stipends," "bonuses," or other compensation, regardless of the nomenclature used, in addition to compensation or benefits agreed to or fixed by contract or salary schedule, except additional salaries to be paid for continuing education pursuant to Indiana Code Chapter 20-6.1-1 and the annual stipend to be paid to mentors by the State pursuant to Indiana Code Chapter 20-6.1-8." However, please see "The School Administrator and Uniform Compliance Guidelines" Volume 144 and IC 20-5-1.5-1 et seq. concerning School Corporation Home Rule.

**AUDITS -A-133**

The Bureau of the Census has sent letters to school corporations stating in part "A data collection form (Form SF-SAC) was not received . . ." Biennial audit reports ending June 30, 1997 do not require the Data Collection Form. Please forward these letters to our Office and we will ensure the Bureau of the Census is properly notified.

**PAYMENT OF FUNDS DUE DECEASED PERSON**

The State Board of Accounts is often asked the correct method of making payment of money due an official, employee, or other person who has died. The following procedure is authorized by IC 29-1-8-1.

If an executor, administrator or personal representative has been designated by the court, payment should be made to such executor, administrator or personal representative. Payment may be made to a person claiming to be entitled to payment or delivery of property of the decedent without awaiting the appointment of a personal representative or the probate of a will when an affidavit is presented stating (a) no petition for the appointment of a personal representative is pending or has been granted, and (b) forty-five (45) days have elapsed since the death of the decedent, and (c) the value of the gross probate estate less liens and encumbrances thereon does not exceed twenty five thousand dollars (\$25,000), and (d) the claimant is entitled to payment or delivery of the property.

The affidavit furnished should be similar to the following:

My Commission Expires: \_\_\_\_\_